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Webster Says He Had Warnings About North

Nominee Testifies He Forgot October Memo

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FBI Director William H. Webster disclosed yesterday that he had been informed as early as last Oct. 30 that National Security Council aide Lt. Col. Oliver L. North might become the subject of a criminal probe regarding his role in providing arms to the Nicaraguan contras, and did not challenge a recommendation that information be withheld from North on this basis.

Webster told the Senate Select Committee on Intelligence that he had forgotten this episode and therefore failed to mention it in written answers to committee questions provided prior to yesterday's hearings on his nomination to become director of the Central Intelligence Agency.

Webster disclosed yesterday that he had learned from a top aide last Oct. 14 that North had warned the Federal Bureau of Investigation that an investigation it had initiated of aid to the contras involving Southern Air Transport, a Miami firm, could result in disclosure of secret negotiations aimed at winning the release of U.S. hostages in Beirut.

Webster said he had had "some anxiety" about North's "freewheeling" activities on behalf of the NSC and described him as "gung-ho" and a victim of "tunnel vision."

Nevertheless, Webster said that when Attorney General Edwin Meese III asked him on Oct. 30 to suspend temporarily another FBI investigation involving Southern Air Transport, he agreed to do so without questioning Meese or connecting the request to the incidents involving North.

Sen. Arlen Specter (R-Pa.) said in yesterday's hearings that the "red flags and danger signals" Webster appeared in mid-December, according to the sources, he said he had been ill with a cold.)

By late October, neither the FBI nor Customs was actively pursuing

Southern Air, according to the sources close to those probes. Nevertheless, on Oct. 29, North complained in a note to Poindexter about investigations of the company, according to the Tower commission report.

"This is the damndest operation I have ever seen," North wrote Poindexter on the NSC's computer system. "Pls let me go on to other things. [Would] very much like to give [Reagan] two hostages that he can take credit for and stop worrying about these other things."

The next day, according to Meese, he was called by Poindexter, who asked the attorney general to hold up an investigation involving Southern Air personnel "at that particular time."

"These people," Meese said Poindexter told him, "would be unavailable to participate in whatever transportation activity was involved in Iran or in relation to Iran" if they were being interviewed by federal agents.

According to Meese, he instructed Associate Attorney General Stephen Trott "to check with the FBI and to see whether there was an investigation, and if it was, whether it could be—whether certain aspects of it could be delayed for a few days without hurting the investigation."

According to Webster's testimony yesterday, Trott asked "if it were possible for us to suspend any unnecessary investigation for about 10 days pending some sensitive hostage negotiations. He didn't want to interfere with the investigation, but he wanted to create, if possible, a good climate in which those negotiations could take place."

"We had no trouble accommodating this request," Webster testified, because "we were barely into this investigation . . . there was not much to do" and "a second interview with an informant" was going

to complete the "relatively short inquiry."

On the day he received the request from Poindexter, Meese testified last December, "I also contacted the secretary of the treasury," James A. Baker III, "because it was my understanding from Mr. Poindexter that Customs was also involved in the investigation."

However, a spokesman for Baker said yesterday that the only contact with Meese on this subject that Baker recalled was a brief conversation at a White House meeting on another subject in which the attorney general said he would call Baker later about a Customs investigation. But Meese "never called to explain the matter," Baker's spokesman said.

According to informed sources, Baker has been interviewed in detail about his dealing with Meese, presumably by independent counsel Lawrence E. Walsh's office. The Washington Post reported yesterday that Walsh is investigating Meese's handling of all these matters.

A Justice Department official, when asked last night why the attorney general had referred on Oct. 30 to the need to allow Southern Air personnel to complete secret missions that were in fact already completed, said that Meese at that moment expected one or two more flights would be made in early November. This was the first time an administration official had suggested such a possibility.

Lawrence E. Walsh made it available to the panel.

"There was just simply nothing in that memorandum that pointed to illegal activities by government officials," Webster said.

After the revelation of the memo at yesterday's hearings it became the focal point of senators' questions. Hearings will continue this afternoon.

Webster was also asked repeatedly about his behavior over the weekend of last Nov. 21-23 when Meese began his inquiry into the Iran-contra affair but did not call in the FBI. In the meantime, North shredded an unknown number of documents concerning the contra resupply operation, according to Fawn Hall, then North's secretary.

Webster said neither Meese nor he suspected the weekend the inquiry began that there was criminal activity involved. He admitted that he might have been "more aggressive" in "rapidly freezing" White House documents and said that if his behavior at the time was a case of naivete, "I confess to it."

Staff writer George Lardner contributed to this report.